

NJCFS NEWSLETTER

Office of Management and Budget
Accounting Bureau

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Issue # 25

PER DIEM RATES FOR 1999

ISSUED

Per diem reimbursement rates have been issued by the federal government for calendar year 1999. As in years past, these rates will be adhered to by the State of New Jersey as the basis for reimbursement for work-related travel by State employees. In addition to updating rates for lodging, meals and incidentals, the new per diem rate schedule contains some major changes, including:

1. Lodging rates no longer include taxes; they are for room rates only.
2. The breakdown of Meals and Incidentals contains a new tier of \$46.00; the updated schedule appears as follows:

	<u>\$30</u>	<u>\$34</u>	<u>\$38</u>	<u>\$42</u>	<u>\$46</u>
Breakfast	\$ 6	\$ 7	\$ 8	\$ 9	\$ 9
Lunch	6	7	8	9	11
Dinner	16	18	20	22	24
Incidentals	2	2	2	2	2

3. Many previously combined locations are now shown separately with different rates. These include: Alexandria, Arlington, Fairfax County and Loudoun County in Virginia and Montgomery County and Prince George's County, Maryland which are now listed separately, rather than being grouped under Washington, DC.
4. Additional seasons have been added where appropriate.

The new detailed domestic per diem schedule may be downloaded in its entirety from the Internet at the following address:

<http://policyworks.gov/org/main/mtt/homepage/mtt/perdiem/perd99.txt>

The new per diem rates will also be formalized in an addendum to Circular Letter 98-03-OMB, State Travel Regulations, to be issued in the near future.

VENDOR/LOCATION CODE CAN DETERMINE PAYMENT FORM

Using the correct two-digit Location Code at the end of the Vendor Identification number in combination with the correct Check Category code is essential to ensure that payments are issued in the form the user intends. For example, Location Codes ending in "8" indicate an Automated Clearinghouse (ACH) payment. However, this type of electronic funds transfer also requires a Check Category of "AM" and a Single Check Flag indicator of "Y" to be processed successfully. Using a Check Category code of "AM" with a Vendor ID other than one ending in "8", will result in an error message which will prevent the transaction from being accepted by the system. If the Vendor ID ends with "8" but the Check Category code is for a wire or check form of payment, the Vendor ID will cause the Check Category to change to a default code of "AM" and will result in an ACH payment, regardless of the intention of the user.

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For these reasons, it is important that users be conscientious in entering the required compatible codes on payment transactions. It should also be a routine practice to review transactions after agency approvals have been applied to ensure that no overrides of data have unintentionally taken place.

WARNING MESSAGES

Users are reminded of the importance of reading warning messages as they edit and process transactions in the NJCFS. Some warning messages are informational such as the message that appears when the identical Payee Reference is used for the same vendor code more than once ("**Record Already on OVIH**"). In these cases, the agency may be aware of that fact and can disregard the warning. There are situations, however, in which the message is a strong indication of a problem with the transaction. In these cases, due to other system considerations, the system cannot generate a fatal error message which would interrupt the process, but the warning should alert the user to re-examine the transaction.

An example of this occurs when a Vendor ID number designated for use with Automated Clearinghouse (ACH) payments (i.e., one where the Location Code ends in "8") is entered on a payment voucher with a Check Category intended for a different payment method, such as "WI" for Wire. In those instances, the system changes the Check Category to "AM" for an ACH payment and generates a **Warning Message** to alert the user to the fact that the Check Category has been changed. If this message is not heeded,

the transaction will be processed with the changed Check Category code and will result in an ACH payment, rather than the form intended by the user. Since Wire transfers are not system-generated but are processed manually by the Cash Accounting Unit of OMB, it is possible in the example cited above, that the transaction could also be used for the Wire payment, disbursing the amount twice.

For the reasons described above, Warning Messages should always be investigated by the user before placing approvals on a transaction.

WASHINGTON TRAVEL

Numerous inquiries have been received from agencies asking for clarification of the rules for submitting requests for travel to Washington, DC to the Governor's Office - Chief of Staff for prior approval. The most recent instruction from the Office of the Chief of Staff is that all travel to Washington, DC is to be directed to that office for review. This includes not only meetings and conferences, but also training and seminars - in short, **all** travel to the Washington, DC area. Since prior approval is required for these trips, agencies should submit the information as early as possible to obtain a timely response.

All Washington-related travel information (brochures, agendas, attendance lists, etc.) should be directed to the attention of John Kohler, Deputy Chief of Staff and may be faxed to his secretary, Roz Sherman at (609)

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777-0944; telephone number (609) 0777-2203.

SPECIAL/CONFIDENTIAL AND PETTY CASH FUNDS

Agencies are reminded to review the policy on closure for special/confidential and petty cash funds contained in Circular Letter #96-10 (Special/Confidential Funds), 96-08 (Petty Cash Funds) and 93-02 (Banking Services). Specifically, the cash receipt document used to close the special/confidential account should be recorded against the Balance Sheet account #1010 (CL#96-10; Section H;2.). The cash receipt document used to close the petty cash account should be recorded against the Balance Sheet account #1009 (CL#96-08). All special/confidential and petty cash funds have been established against the balance sheet accounts and therefore funding must return to those accounts.

Additionally, agencies have erroneously used the vendor identification numbers assigned to their special/confidential and petty cash accounts for other U1 payments. The vendor identification numbers assigned to these accounts are intended to be used strictly for identifying payments/reimbursements to the special/confidential and petty cash accounts. They should never be used to other purposes. Agencies who need to make reimbursements using an agency identification number should contact Harry Fisher at the Vendor Control Unit, phone # (609) 292-8124 to ascertain what their agency's identification number is on the Vendor Table.

EMPLOYEE CHANGE OF ADDRESSES

Many state employees who receive travel and other types of reimbursements have not kept their names and addresses current on the CFS Vendor Table. Employees sometime mistakenly believe that a change of address form submitted for payroll purposes will change their address on the CFS Vendor Table as well. This is not the case. Employees should be instructed to provide change of address information to the CFS Vendor Table concurrent with any payroll address changes. Agencies are asked to notify their employees of this procedure. Inquiries and changes should be directed to Harry Fisher, Vendor Control Unit, 33 W State St., PO Box 221, Trenton, NJ 08625.

OMB S INITIATIVE TO EXPAND ACH

OMB is presently in the process of converting many NJCFS/MACS-E payees to Automated Clearing House (ACH) recipients. Following conversion, the payees will be able to receive payment from the State directly into their checking accounts. At this time, vendors and State employees who annually receive a high volume of checks from the NJCFS are being contacted by OMB to determine if they wish to receive payment by ACH. In the future, all new State of New Jersey vendors will be provided with an ACH enrollment form when mailed their W9/Questionnaire.

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ACH (also known as Electronic Funds Transfer or EFT) increases efficiency and reduces costs for both the State and the recipient. The State eliminates the costs associated with producing a paper check, while the recipient receives the payment in a more timely, convenient and precise manner. ACH also offers an immediate cash flow benefit to the recipient; there is no waiting for checks to arrive. In addition, if there is no check, it cannot be lost or stolen, and the trip to the bank to have it cashed or deposited is eliminated.

If your agency deals with a payee interested in receiving their NJCFS payments via automated clearing house (ACH) payments instead of by check, contact Pat Swanson at 609-633-8191. Ms. Swanson will provide the payee with the appropriate form and instructions.

COMPLETING THE PAYEE REFERENCE FIELD

The information entered in the payee reference field of a payment voucher transaction is carried as descriptive information on both the check and Automated Clearing House (ACH) payments generated by NJCFS. The payee reference field must be completed properly to uniquely identify the State's payment and to facilitate its match against an outstanding vendor invoice when one exists. A properly completed payee reference field clearly identifies the purpose of the payment, the vendor's invoice number, or, when warranted, clearly provides the date or time period associated with the payment.

Many problems occur when the payee reference field is not completed properly. As indicated above, vendors experience difficulties in matching a payment to their corresponding invoice. Similarly, employees who travel frequently cannot match their reimbursement to the correct date of travel. Also, when identical payee reference information is entered on recurring payments of the same dollar amount to one vendor code, it becomes impossible to the recipient to uniquely identify each payment.

Following are some useful examples of completing a payee reference field:

<u>Payment Type</u>	<u>Payee Ref.</u>
Travel Reimbursement Mileage	9/16/98
Vendor Payment	Inv #1234
Monthly Rent Payment	Jul99;Bldg.133

If you have questions regarding how the payee reference field should be completed for your payments, please contact Michael Gallagher at 609-984-5206.

ACH VENDORS

With many NJCFS/MACS-E vendors choosing to take advantage of the benefits of Automated Clearing House (ACH) payments, all State of New Jersey business office personnel are reminded to check the NJCFS Vendor table (VEND) to determine if the vendor they are paying has an ACH vendor code. In most cases, a vendor will be originally established with a vendor code that

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will result in a check disbursement when referenced on a payment voucher. This same vendor will now often have a second vendor code (with the location code being the only difference) that can be used to generate an ACH payment. These ACH vendor codes can be identified on the NJCFS Vendor table (VEND) by a location code that ends with an '8' and by a 'Y' in the "ACH VENDOR" field. The original non-ACH vendor code for the vendor will remain on VEND until purged because of inactivity.